mayfield

MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)
HALF-YEAR REPORT – PERIOD ENDED 30 JUNE 2025

Contents

Directors' Report

Your directors present their report on the consolidated entity (referred hereafter as the 'Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'Company') and the entity it controlled for the half-year ended 30 June 2025.

Directors

The directors of Mayfield in office during the half-year, and at the date of this report, are:

- David Niall, Chair and Non-Executive Director (resigned 23 January 2025)
- Roseanne Healy, Independent Chair and Non-Executive Director (appointed Chair 23 January 2025)
- Greg Johnson, Independent Non-Executive Director
- Heidi Beck, Independent Non-Executive Director (resigned 23 January 2025)
- Lubna Matta, Non-Executive Director (appointed Executive Director 23 January 2025, reverted to Non-Executive Director effective 1 July 2025 and resigned 22 August 2025)
- Daniel Stone, CEO & Managing Director (appointed Managing Director 22 August 2025, reverted to CEO 29 August 2025)
- Ingrid Fraser-Williams, Independent Non-Executive Director (appointed 29 August 2025)

Principal Activities

During the half-year the principal activity of the Group consisted of operating long day childcare (LDC) centres located in Victoria, Queensland and South Australia.

Dividends

No dividend has been declared, recommended or paid for the reporting period ended 30 June 2025.

Review Of Operations

The following tables summarise the key financial metrics for the half-year ended 30 June 2025.

	Group Half-year 2025	*Group Half-year 2024*	**Change**
	$'000	*$'000*	**$'000**
Childcare Services Revenue	**43,876**	37,691	6,185
Other Income[3]	**46**	527	(481)
Revenue & other income	**43,922**	38,218	5,704
Labour costs	**(28,248)**	(23,299)	(4,949)
Agency costs	**(104)**	(464)	360
Centre operating costs	**(2,807)**	(2,371)	(436)
Rent and outgoings	**(8,093)**	(6,414)	(1,679)
Other facilities costs	**(1,227)**	(964)	(263)
Head office staff and corporate overheads	**(3,592)**	(3,160)	(432)
Underlying EBITDA[1]	**(149)**	1,546	(1,695)

Review Of Operations (Cont'd)

After reversing the property leases impact of AASB 16 *Leases*[2], 'adjusted' NPAT from Continuing Operations was down $21.1 million on the previous corresponding reporting period as follows:

NPAT Adjusted for AASB16	**Statutory Half-year 2025**	**Reversing AASB 16 Impact**	*Adjusted for AASB16 Half-year 2025*	*Adjusted Half-year 2024*
	$'000	**$'000**	*$'000*	*$'000*
EBITDA	6,737	(6,886)	(149)	1,546
Impairment loss	(19,368)	-	(19,368)	-
Depreciation	(6,672)	5,971	(701)	(732)
EBIT	(19,303)	(915)	(20,218)	814
Finance costs	(2,803)	2,550	(253)	(422)
Tax	228	(491)	(263)	(14)
NPAT from Continuing Operations	(21,878)	1,144	(20,734)	378

1. Adjusted, NPAT, NPAT from Continuing Operations, Underlying, EBITDA and EBIT are non-statutory financial concepts and measures which are not prescribed by Australian Accounting Standards (AAS). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.
2. For an explanation of AASB 16 Leases please refer to Note 1. Summary of material accounting policies on page 27 of the Annual Report for the year ended 31 December 2024.
3. Income generated through non-Long Day Care related activities and insurance payments received in relation to a damaged centre.

After reversing the property leases impact of AASB 16 Leases, 'adjusted' Earnings Per Share1 (EPS) from Continuing Operations was down 28.07 cents per share as follows:

Underlying EPS	**Statutory Half-year 2025**	**Reversing AASB 16 Impact**	*Adjusted Half-year 2025*	*Adjusted Half-year 2024*
	Cents	**Cents**	*Cents*	*Cents*
Basic and diluted earnings per share	(29.01)	1.52	(27.49)	0.58
	$	$	$	$
Earnings used in calculating EPS				
NPAT from Continuing Operations	(21,877,956)	1,144,340	(20,733,616)	378,510
	Number	Number	Number	Number
Weighted average number of shares	75,424,609	75,424,609	75,424,609	65,312,704

1. Adjusted EPS and NPAT from Continuing Operations are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

For further details relating to the financial and operational performance for the period please refer to the Half Year Results announcement for more details.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the half-year not otherwise disclosed in this report or in the accompanying financial statements.

Matters subsequent to the end of the half-year

Other than as disclosed in Note 13, no other matter or circumstance has arisen since 30 June 2025 which has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group expects to continue to execute its business plan, in line with its strategic objectives, as outlined in its 2024 Annual Report. Future growth is expected to come through the continued improvement of existing centres and the acquisition of new, long day childcare centres.

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 5.

This report is made in accordance with a resolution of the directors.

Signed

Roseanne Healy

Independent Non-Executive Chair

Date: 29 August 2025

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MAYFIELD CHILDCARE LIMITED

In relation to our review of the interim financial report of Mayfield Childcare Limited for the half-year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of Mayfield Childcare Limited and the entity it controlled during the period.

PKF

PKF
Melbourne, 29 August 2025

Kaitlynn Brady

Kaitlynn Brady
Partner

Contents

This interim financial report is for the consolidated entity (referred hereafter as the 'Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'Company') and its subsidiary.

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Mayfield Childcare Limited is a public company limited by shares, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange (ASX) since 30 November 2016. Its registered office and principal place of business is:

Suite 1, Level 3
108 Power Street
Hawthorn VIC 3122

A description of the nature of the Group's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 29 August 2025. The directors have the power to amend and to reissue the interim financial report.

A copy of this financial report may be obtained from the websites of either the ASX (www.asx.com.au) or Mayfield Childcare Limited (www.investor.mayfield.com.au).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 30 June 2025

	Note	**Half-year 2025 $**	*Half-year 2024 $*
Revenue	3	**43,922,010**	38,218,382
Employee costs		**(30,709,238)**	(25,339,704)
Centre operations costs		**(2,961,077)**	(2,933,621)
Facilities costs		**(2,433,207)**	(1,926,601)
Administration costs		**(1,081,239)**	(1,021,427)
Depreciation and amortisation of plant and equipment	5	**(700,774)**	(731,789)
Depreciation charge on right-of-use assets	8	**(5,971,377)**	(5,030,319)
Impairment loss	6	**(19,367,999)**	-
Finance costs		**(2,802,922)**	(2,522,066)
(Loss) before income tax		**(22,105,823)**	(1,287,145)
Income tax benefit / (expense)		**227,867**	490,149
(Loss) after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**(21,877,956)**	(796,996)
Other comprehensive income for the half-year, net of tax		**-**	-
Total comprehensive income for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**(21,877,956)**	(796,996)

	Note	***Cents***	***Cents***
Basic and diluted earnings per share	14	(29.01)	(1.22)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	**30 Jun 2025**	*31 Dec 2024*
		$	*$*
ASSETS			
Current assets			
Cash and cash equivalents		**380,572**	102,997
Trade and other receivables	4	**2,428,863**	2,774,204
Prepayments		**382,111**	558,521
Total current assets		**3,191,546**	3,435,722
Non-current assets			
Plant and equipment	5	**3,952,722**	4,219,824
Intangible assets	6	**63,018,957**	82,386,955
Right-of-use assets	8	**145,660,469**	150,561,698
Security deposit		**5,301**	5,300
Deferred tax asset		**5,724,177**	5,495,022
Total non-current assets		**218,361,626**	242,668,799
Total assets		**221,553,172**	246,104,521
LIABILITIES			
Current liabilities			
Trade and other payables	9	**4,450,993**	4,672,329
Contract liabilities		**1,644,034**	1,470,194
Borrowings	7	**3,949,763**	6,279,826
Leases	8	**9,039,248**	8,546,463
Current Tax Liabilities		**-**	831,487
Provisions		**4,339,590**	4,882,028
Total current liabilities		**23,423,628**	26,682,327
Non-current liabilities			
Leases	8	**150,043,150**	153,802,394
Provisions		**188,405**	159,975
Total non-current liabilities		**150,231,555**	153,962,369
Total liabilities		**173,655,183**	180,644,696
Net assets		**47,897,989**	65,459,825
EQUITY			
Contributed equity		**65,098,216**	60,774,016
Equity reserves	10(e)	**-**	8,080
Retained earnings		**(17,200,227)**	4,677,729
Total Equity		**47,897,989**	65,459,825

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2025

	Share Capital $	***Retained Earnings $***	***Equity Reserves $***	***Total $***
Balance as at 1 January 2024	60,618,740	4,764,651	-	65,383,391
(Loss) after income tax expense for the half-year	-	(796,996)	-	(796,996)
Total comprehensive income for the half-year	-	(796,996)	-	(796,996)
Transactions with owners in their capacity as owners:				
Performance rights issued to employees	-	-	2,322	2,322
Balance as at 30 June 2024	60,618,740	3,967,655	2,322	64,588,717
Balance as at 1 January 2025	**60,774,016**	**4,677,729**	**8,080**	**65,459,825**
(Loss) after income tax expense for the half-year	-	(21,877,956)	-	(21,877,956)
Total comprehensive income for the half-year	-			
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (Note 10(b))	**4,324,200**	**-**	**-**	**4,324,200**
Performance rights forfeited by employees	-	-	(8,080)	(8,080)
Balance as at 30 June 2025	**65,098,216**	**(17,200,227)**	**-**	**47,897,989**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2025

	Note	**Half-year 2025 $**	*Half-year 2024 $*
Cash flows from operating activities			
Receipts from customers, including government funding		**43,746,322**	37,527,211
Payments to suppliers and employees		**(37,106,030)**	(31,244,265)
		6,640,292	6,282,946
Other receipts		**46,431**	261,684
Interest paid on lease liabilities		**(2,549,839)**	(2,100,135)
Net interest paid on borrowings		**(250,392)**	(394,533)
Net income tax refunded / (paid)		**(832,775)**	284,049
Net cash inflow from operating activities		**3,053,717**	4,334,011
Cash flows from investing activities			
Payments for plant and equipment		**(433,672)**	(570,506)
Net cash (outflow) from investing activities		**(433,672)**	(570,506)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	10(b)	**4,324,200**	-
Net proceeds from drawdown / (repayment of) borrowings	7	**(2,330,063)**	(1,074,000)
Proceeds from amounts repaid by Related Party	12	**-**	459,378
Repayment of lease liabilities	8(b)	**(4,336,607)**	(3,351,023)
Net cash inflow / (outflow) from financing activities		**(2,342,470)**	(3,965,645)
Net increase / (decrease) in cash and cash equivalents		**277,575**	(202,140)
Cash and cash equivalents at the beginning of the half-year		**102,997**	362,665
Cash and cash equivalents at the end of the half-year		**380,572**	160,525

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 1. Summary of significant accounting policies

These general purpose financial statements are for the consolidated entity ('Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'Company') and its subsidiary for the interim half-year reporting period ended 30 June 2025. They have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for 'for profit' entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard (IFRS) IAS 134 Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024 and all public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The preparation of current financial information, and the presentation of any prior reporting period comparatives, is consistent from one reporting period to the next.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been adopted early.

Going Concern

The Group recorded a net statutory loss of $21.9 million for the period inclusive of a $19.4 million non-cash impairment expense. The statutory loss for the period excluding the impairment expense was $2.5 million (30 June 2024: $0.8 million). The Group's current liabilities exceed current assets at reporting date by $20.2 million (31 December 2024: $23.2 million). This included $9.0 million of lease liabilities which are expected to be settled through operating cash flows earned in the next twelve months.

The Current Liabilities include $3.9 million of borrowings classified as Current at balance date as the loan facility was due to terminate on 2 August 2025. Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the finance Facility until 31 August 2026 as the parties work through the standard process of establishing a new Facility.

As disclosed in Note 7, prior to the Reporting Period end, the Company notified its Lender that it would likely be non-compliant with a certain financial covenant for the reporting period ended 30 June 2025. The Group's covenant reporting is on a six-monthly basis for the previous rolling twelve months and thus reflects the challenging trading conditions primarily in the form of lower than forecast occupancy and inflationary cost pressures experienced through CY24 and into the first half of the CY25 year. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

Notwithstanding the above, the interim half year report has been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets, settlement of liabilities through the normal course of business. In adopting this position, the directors have had regard to the following:

- The Group has prepared cash flow forecasts for the 12 period from the date of the report demonstrating the Group's capacity to improve the underlying business performance. These forecasts reflect the Group continuing to generate improved net operational cash inflow, and be profitable and cashflow positive, for the next 12 months from the date of this report.
- The forecast is based on what the Board considers reasonably achievable assumptions related to key business drivers including: improved occupancy rates, fee increases, managing centre staff 'wage to revenue' ratios via rostering initiatives already implemented and managing Head Office costs, in addition to other Board approved strategic initiatives.
- In the current Reporting Period, the Company completed a $4.6 million (before fees) capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. Net proceeds of $4.3 million was received from the placement, significantly strengthening the Company's financial position.
- The Company continues to have the support of shareholders and institutions to raise capital to fund the business strategic plans and initiatives as demonstrated by the placement completed in January 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 1. Summary of significant accounting policies (continued)

Going Concern (continued)

- Subsequent to the end of the current reporting period, the Lender has confirmed that it will not cancel or recall the facilities solely as a consequence of the non-compliance within a 12 month period from the signing of the 30 June 2025 half year Financial Report provided that there are no further breaches of covenants or undertakings by the Group and no events of default.
- Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the finance Facility until 31 August 2026 as the parties work through the standard process of establishing a new Facility. The Extension terms and conditions remain the same as per existing Facility Agreement (subject to a 0.75% increase in the funding rate for the extension period). The Company has a strong and well-established relationship with its Lender and expects to finalise the new Facility during the extension period. Whilst the loan facility reduces monthly until maturity, no principal repayments are due in accordance with the Facility Agreement. The Group had up to $6.4 million (at reporting date) available to be drawn down from its Business Loan facility for working capital requirements.
- In the event that the Group requires additional funding to support its operations and obligations over the 12 month period from the date of this report, the Group has a range of available options to utilise including but not limited to support from the Group's existing lender as noted above. In the unlikely event that this does not eventuate, the Business has access to alternate Lenders given the Group's strong history of earnings and a strong realisable asset base of Childcare Centres;

Should the above assumptions of the directors either individually or in the aggregate not come to fruition, there is a heightened risk the group may be unable to pay its debts as and when they fall due. If the Group is unable to continue it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the interim half-year report. The interim half-year report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as an when they fall due.

Amendments to Accounting Standards and new Interpretations that are mandatory, effective from the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been adopted early.

New Accounting Standards and Interpretations published but not yet adopted

There have been no new standards published but not yet adopted that would have a material impact upon either the Group's reported financial performance or its financial position.

Note 2. Operating segments

Identification of reportable segments

The Group continues to operate in one operating segment, as a long day childcare services provider.
The Group continues to operate in one geographical segment, being Australia.

Major customers

The Group did not have any major customers during the half-year ended 30 June 2025, as it earns the majority of its revenue from childcare services provided to individual families.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 3. Revenue

	Half-year 2025 $	Half-year 2024 $
Revenue from contracts with customers		
Childcare services	**43,875,579**	37,691,280
Other income		
Other income	**46,431**	527,102
	43,922,010	38,218,382
Other income		
Other income includes:		
Business interruption insurance claim income	**-**	179,398

Note 4. Current assets – Trade and other receivables

	Half-year 2025 $	31 Dec 2024 $
Trade receivables net of provision for impairment	**2,025,517**	1,943,188
GST receivable (net)	**169,347**	159,227
Other receivables	**233,999**	671,789
	2,428,863	2,774,204

Note 5. Non-current assets – Plant and equipment

Plant and equipment		
Plant and equipment – at cost	**9,851,942**	9,418,270
Less: Accumulated depreciation	**(5,899,220)**	(5,198,446)
Net book amount	**3,952,722**	4,219,824
Reconciliation		
Opening net book amount at beginning of half-year	**4,219,824**	
Additions	**433,672**	
Depreciation expense	**(700,774)**	
Closing net book amount at end of half-year	**3,952,722**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 6. Non-current assets – Intangible assets

			30 June 2025 $
	Goodwill at cost	**Other IP assets**	**Total**
Opening net book value	82,360,683	26,273	82,386,956
Additions	-	-	-
Impairment	(19,367,999)	-	(19,367,999)
Disposals	-	-	-
Closing net book value	62,992,684	26,273	63,018,957

Goodwill impairment testing

Goodwill is allocated to a single cash-generating unit (CGU), consistent with the Group's one operating segment. The recoverable amount of the CGU is based on value-in-use calculations using cash flow projections from financial forecasts approved by the Board for the 18 months immediately following the reporting date, and cash flows beyond that period extrapolated through a 5-year outlook.

The assumptions used for the current reporting period may differ from the assumptions in the past or next reporting period as internal and external circumstances and expectations change. The Group has made assumptions about current economic factors including in addition to assumptions around centre wages and childcare fees for the period beyond the Federal Government funded ECEC Worker Retention Payment grant – there is currently a two year grant period until 30 November 2026. Childcare fees are capped during the grant period and as such the Group has made assumptions factoring this over the forecast period. The Group has applied the below assumptions in the 30 June 2025 calculation of value-in-use.

The calculation of value-in-use is most sensitive to the following assumptions:

- Childcare Fee growth in the outlook period of 4.2% – 5.0% (31 Dec 24: 4.2% - 7%)
- Occupancy growth in the post forecast outlook period 1% (31 Dec 24: 2%)
- Employee expenses growth over the outlook period of 3.3% — 5.0% (31 Dec 24: 4.5%)
- All other expenses growth over the outlook period of 3.25% – 4.5% (31 Dec 24: 3.25 - 4.5%)
- Discount rate (pre-tax) of 14.5% (31 Dec 24: 13.5%); and
- Terminal growth rate of 2.5% (31 Dec 24: 2.25%)

At reporting date, the Group assessed the performance of the CGU against previously applied assumptions for the Value in Use calculations for the reporting period ended 31 December 2024. As a result, the Group recognised the following impairment loss of $19,367,999.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 7. Current & Non-current liabilities – Borrowings

	30 June 2025 $	31 Dec 2024 $
Current	**3,949,763**	6,279,826
Non-current	**-**	-
	3,949,763	6,279,826
Bank Loans		
Balance at beginning of half-year	**6,279,826**	
Net (repayments)	**(2,330,063)**	
Balance at end of half-year	**3,949,763**	

Financing arrangements

Bank loans

The loans are secured on the assets and undertakings of the Group.

	30 June 2025 $	31 Dec 2024 $
Facility at end of half-year		
Total bank loan facility	**17,881,000**	20,023,000
Less amount used	**(3,949,763)**	6,172,600
Unused loan facility	**13,931,237**	13,850,400

The total bank loan facility available reduces by $357,000 on a monthly basis until the loan facility matures. Of the $13.9 million unused, $7.5 million is only available for future acquisitions and there are specific criteria which need to be met prior to any drawdown. The Group had up to $6.4 million (at reporting date) available to be drawn down from its lending facility for working capital requirements.

As at 30 June 2025, the company has classified the amount drawn down under the Facility ($3.9 million) as current as the loan facility was due to terminate on 2 August 2025 and subsequent to the end of the current reporting period has been extended until 31 August 2026.

Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the finance Facility until 31 August 2026 as the parties work through the standard process of establishing a new Facility. The Extension terms and conditions remain the same as per existing Facility Agreement (subject to a 0.75% increase in the funding rate for the extension period). The Company has a strong and well-established relationship with its Lender and expects to finalise the new Facility during the extension period. Whilst the loan facility reduces monthly until maturity, no principal repayments are due in accordance with the Facility Agreement.

During the current reporting period, the Group notified its Lender that it was likely to be non-compliant with one of its financial covenants under its Finance Facility. The Group's covenant reporting is on a six-monthly basis for the previous rolling twelve months and thus reflects the challenging trading conditions primarily in the form of lower than forecast occupancy and inflationary cost pressures experienced in the first half of the CY25 year. Subsequent to the end of the current reporting period, the Lender has confirmed that it will not cancel or recall the facilities solely as a consequence of the non-compliance within a 12 month period from the signing of the 30 June 2025 half year Financial Report provided that there are no further breaches of covenants or undertakings by the Group and no events of default.

The relevant ratio where the Company has reported to its Lender that was non-compliant is:

- The Group's Fixed Charge Cover Ratio (FCCR). The covenant requires the FCCR to be not less than 1.50 times. The FCCR is calculated as the sum of: EBITDA (where EBITDA is adjusted to exclude the application of AASB 16 Leases), plus operating lease expense, plus rent expense divided by the sum of: gross interest expense, plus operating lease expense, plus rent expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 7. Current & Non-current liabilities – Borrowings (continued)

There is a risk that the Group may not comply with this covenant in its upcoming covenant reporting period ended 31 December 2025 in which case the liabilities could otherwise become repayable within twelve months after the reporting period. Should this eventuate, the Group will liaise with the lender accordingly.

Assets pledged as security

The bank loan of $3.9 million (2024: $6.3 million) is secured by a first ranking security held by the Lender over the assets and undertakings of Mayfield Childcare Limited and its wholly owned subsidiaries.

Bank guarantee facility

The guarantees are secured on the assets and undertakings of the Group.

	30 June 2025	*31 Dec 2024*
	$	*$*
Facility at end of half-year		
Total bank guarantee facility	**4,500,000**	4,500,000
Less amount used	**(4,381,006)**	4,426,256
Unused guarantee facility	**118,994**	73,744

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 8. Leases

	30 June 2025 $	31 Dec 2024 $
A. Expenses		
Expenses from transactions not recognised as leases:		
Rental expense relating to leases of low-value assets	**26,764**	25,031
B. Cash flows		
Total cash outflow for leases	**4,336,607**	3,351,023
C. Right-of-use assets		
Right-of-use assets	**191,210,970**	190,140,822
Less: Accumulated depreciation	**(45,550,501)**	(39,579,124)
Net book amount at end of half-year	**145,660,469**	150,561,698
Reconciliation		
Opening net book amount at beginning of half-year	**150,561,698**	
Increase due to remeasurement of lease liabilities upon increase of variable lease payments	**1,070,148**	
Depreciation charge	**(5,971,377)**	
Closing net book amount at end of half-year	**145,660,469**	
D. Lease liabilities		
Current	**9,039,248**	8,546,463
Non-current	**150,043,150**	153,802,394
Balance at end of half-year	**159,082,398**	162,348,857

Additional information

Unavoidable future payments

For the purpose of calculating unavoidable future lease payments, only the current term of each property lease has been considered, unless the option to exercise the next further term falls within 3 years of reporting date, in which case exercise of the next further term is considered to be reasonably certain, thus both the current and subsequent further term lease payments are considered to be unavoidable.

Weighted average property lease term

The average unavoidable property lease term, weighted for the number of licensed places, is 11.9 years. Including all further terms, the weighted average term increases to 25.4 years.

Note 9. Current liabilities – Trade and other payables

	30 June 2025 $	31 Dec 2024 $
Trade payables	**893,244**	757,287
Accrued employee liabilities	**1,514,545**	1,657,892
Other payables	**2,043,204**	2,257,150
	4,450,993	4,672,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 10. Contributed equity

(a) Share capital
The share capital account of Mayfield Childcare Limited (the Company) consists of 75,424,609 fully paid up, ordinary shares as at 30 June 2025.

Ordinary shares entitle the holder to participate in dividends, and the proceeds on winding up of the Company, in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting of the Company, either personally or by duly authorised representative, proxy or attorney, is entitled to one vote and, upon a poll, each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Movements in ordinary share capital
Movements in the ordinary share capital of the Company during the current reporting period were as follows:

Date	Details	**Number of shares**	Amount $
1 Jan 2025	Opening balance	**65,586,617**	60,774,016
	Shares issued under institutional placement	**9,837,992**	4,324,200
30 Jun 2025	Closing balance	**75,424,609**	65,098,216

During the Reporting Period, the Company completed a $4.6 million capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. Net proceeds of $4.3 million was received from the placement.

(c) Dividend Reinvestment Plan (DRP)
The Company has established a Dividend Reinvestment Plan (DRP) under which holders of ordinary shares may elect to have all or part of their dividend entitlement satisfied by the issue of new ordinary shares, rather than by being paid in cash. Whether or not the DRP is offered to shareholders in relation to a declared dividend is at the discretion of the Board.

(d) Dividends
No dividend has been declared, recommended or paid for the reporting period ended 30 June 2025.

(e) Share options
There were no unissued ordinary shares of Mayfield Childcare Limited under option at 30 June 2025.
There were no ordinary shares of Mayfield Childcare Limited issued on the exercise of options during the half-year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 10. Contributed equity (continued)

(e) Performance rights

During the period, 120,370 Performance Rights previously granted by the Company to Mr Ashok Naveinthiran (former Chief Executive Officer) lapsed at the time of Mr Naveinthiran's resignation (effective 10 March 2025) as a result of a conditional right to securities because the conditions have not been, or have become incapable of being, satisfied. No other performance rights were granted during the period.

Note 11. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 1(b) of the Notes to the Consolidated Financial Statements of the Group for the year ended 31 December 2024:

Name of entity	Country of incorporation	Class of shares	June 2025 %
Mayfield Early Education Pty Ltd[1]	Australia	Ordinary	100

1.On 25 July 2024 the Directors of Genius Education Pty Ltd resolved to change the name of Genius Education Pty Ltd to Mayfield Early Education Pty Ltd.

Note 12. Related party transactions

Parent entity

The parent entity of the Group is Mayfield Childcare Limited.

Subsidiaries

Please refer to Note 11 for details of the Company's interests in subsidiaries.

Transactions with related parties

Incubator Agreement with Vertical 4 Pty Ltd (formerly Genius Learning Pty Ltd)

During the current reporting period, there were no transactions in relation to the agreement. During the current reporting period, Vertical 4 Pty Ltd was placed into voluntary administration.

Incubator Agreement with Steps Learning Pty Ltd

On 31 December 2024, the Company announced that it had secured an Incubator partnership with Steps Learning Pty Ltd ("Steps"). As part of the partnership, Mayfield acquired a 10% equity interest in the new incubator with Steps. The Incubator is to be led by Ashok Naveinthiran (the Company's former CEO). Under the terms of the Incubator agreement, Steps were to undertake to expand its portfolio in alignment with Mayfield's strategic growth objectives, guided by a mutually agreed development plan.

It was also announced that Steps had entered into a Management Agreement with the Company to provide services for the Steps portfolio. The management fees were to be agreed and set through an appropriate arms-length process. During the current reporting period, there were no transactions in relation to the agreements.

No other related party centre service agreements were entered into during the year. No related party revenue has been recognised during the reporting period in relation to the transaction with Steps.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 12. Related party transactions (continued)

Other Significant Related Party Matters

Former Director Matters

On 15 August 2025 the Company announced that it had acknowledged previous media correspondence relating to Ms Lubna Matta, Non-Executive Director of the Company, who on 23 August 2024, appeared in the Melbourne Magistrates Court pertaining to matters in relation to Darren Misquitta, former director of Genius Education Holdings Pty Ltd (GEHL).

The Company advised that this matter regarding Ms Matta had not been disclosed to the Company. As a result, the Company had commenced an investigation into the matter. Ms Matta was nominated by Genius to the Board in December 2021 in connection with Mayfield acquiring 14 childcare centres from Genius. Ms Matta resigned down as a Director in September 2023 due to other commitments. In January 2025 Ms Matta was re-appointed to the Board, and in accordance with prior advice to the market, the Independent Non-Executive Directors considered that Ms Matta was again nominated as a Director.

As detailed in Note 13, Ms Matta resigned as a Director of the Company on 22 August 2025.

Significant Shareholder Matters

Genius Education Holdings Pty Ltd (GEHL) held a relevant interest in a significant parcel of shares (30.43%) in the Company during the reporting period. The Directors are of the view that GEHL may be deemed to have held a significant influence by virtue of the quantum of the shareholding and are a related party in accordance with the Australian Accounting Standards. There were no transactions with GEHL during the period. Subsequent to 30 June 2025, it is the understanding of the Directors that the shares held by GEHL in the Company (Mayfield) have been treated as security for loans in default and therefore another party has the legal right to call on that security (being the Mayfield shares) in the event of default.

In addition, following the Company's share placement which completed on 3 January 2025, the Directors have sought to investigate and confirm the existence of certain associations with GEHL as a substantial shareholder in the Company during the reporting period. This matter was referred to the Takeovers Panel in June 2025. On 26 June 2025, the Panel declined to make a declaration of unacceptable circumstances in relation to these affairs.

Directors Assessment

The Directors have undertaken significant procedures to satisfy themselves to the above matters, and to the best of their knowledge are of the opinion that relevant matters have been disclosed in line with AASB 124 *Related Party Disclosures*. Notwithstanding this, the Directors acknowledge the inherent challenges in verifying the completeness and accuracy of these disclosures.

Note 13. Events occurring after the reporting period

On 4 July 2025 the Company announced that Ms. Lubna's Mattas role had transitioned from Executive Director to Non-Executive Director of the Company.

On 22 August 2025 the Company announced that Ms Lubna Matta had tendered her resignation and would step down as a Non-Executive Director of the Company, effective from 22 August 2025.

On 22 August 2025 the Company's current Chief Executive Officer, Daniel Stone agreed to take on additional duties as interim Managing Director effective 22 August 2025, pending the appointment of another director to the Board.

On 29 August 2025 Ms Ingrid Fraser-Williams was appointed as a director of the Company, Daniel Stone stepped down from the role of Managing Director on that same date.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2025

Note 14. Earnings per share

	Half-year 2025 Cents	Half-year 2024 Cents
Basic and diluted earnings per share	**(29.01)**	(1.22)
	Number	*Number*
Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**75,424,609**	65,312,704
Earnings used in calculating basic and diluted earnings per share		
(Loss) after tax attributable to the ordinary equity holders of the Group	**(21,877,956)**	(796,996)

Note 15. Contingencies

Other provisions includes $401,483 (31 December 2024: $470,626) to reflect historical amounts received in funding that Mayfield may not have been entitled to receive, due to a non-compliant fee billing policy implemented in 2018. This amount has previously been recorded as a reduction to Childcare Services revenue. This policy has since been rectified. The Company has continued to work with the relevant Government Department to resolve the matter resulting in the initial provision reducing from $1,387,723 to $401,483 as noted above. The Company in conjunction with the Government Department are looking to finalise the matter in the near future.

Other than the above, the Group has no contingent liabilities as at reporting date (31 December 2024: None).

Note 16. Economic Dependency

Mayfield Childcare Limited is economically dependent on funding received from the Australian Government through the Department of Education under the Child Care Subsidy (CCS) program. CCS funding represents a significant portion of the Group's cash inflows (HY25: $25.3 million, HY24: $25.8 million) and is essential to the ongoing operations of the Group.

The Company manages its compliance and fit and proper requirements as required with relevant regulatory bodies to manage this dependency.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Signed

Roseanne Healy

Independent Non-Executive Chair

Date: 29 August 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MAYFIELD CHILDCARE LIMITED

Report on the Half-Year Financial Report

Qualified Opinion

We have reviewed the accompanying half-year financial report of Mayfield Childcare Limited ('the Company') and its controlled entity (collectively 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, that makes us believe that the half-year financial report of Mayfield Childcare Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the financial position of the Group as at 30 June 2025, and of its consolidated financial performance for the half-year ended on that date; and
(b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As disclosed in Note 12 Related Party Transactions the Directors have disclosed identified related party transactions and matters relevant that occurred during the period. As at the date of this report, the Directors to the best of their knowledge are of the opinion that relevant matters have been disclosed in line with AASB 124 *Related Party Disclosures*. Notwithstanding this, the Directors acknowledge the inherent challenges in verifying the completeness and accuracy of these disclosures. As such, we have been unable to obtain sufficient appropriate audit evidence over the completeness and accuracy of related party disclosures required under AASB 124 *Related Party Disclosures*.

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Half-Year Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the half-year financial report, which indicates that the Group incurred a net loss of $21.9m, inclusive of a $19.4m impairment expense, during the period ended 30 June 2025 and, as of that date, the Group's current liabilities exceeded its total assets by $20.2m. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

Kaitlynn Brady

PKF

Melbourne, 29 August 2025

Kaitlynn Brady

Partner